



8 July 2022

**To: Members of the Hong Kong Institute of CPAs
All other interested parties**

INVITATION TO COMMENT ON INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD'S (IAASB) EXPOSURE DRAFT, *PROPOSED NARROW SCOPE AMENDMENTS TO ISA 700 (REVISED), FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS, AND ISA 260 (REVISED), COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE, AS A RESULT OF THE REVISIONS TO THE IESBA CODE THAT REQUIRE A FIRM TO PUBLICLY DISCLOSE WHEN A FIRM HAS APPLIED THE INDEPENDENCE REQUIREMENTS FOR PUBLIC INTEREST ENTITIES (PIES)*

Comments to be received by 4 September 2022

The Hong Kong Institute of Certified Public Accountants' (Institute) Auditing and Assurance Standards Committee is seeking comments on the IAASB's Exposure Draft (ED) on proposed narrow scope amendments to ISA 700 (Revised) and ISA 260 (Revised) as a result of the revisions to the International Ethics Standards Board for Accountants' (IESBA) *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) that require a firm to publicly disclose when a firm has applied the independence requirements for public interest entities (PIEs) (IESBA's transparency requirement).

The ED has been posted on the Institute's website at:

<https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Open-for-comment-documents/Auditing-and-Assurance>

In March 2022, the IAASB approved a project proposal to undertake a narrow scope maintenance of standards project on listed entity and PIE, which includes project objectives that support the public interest. One of the project objectives include determining whether the auditor's report is an appropriate mechanism to enhance transparency about the relevant ethical requirements for independence applied for certain entities when performing an audit of financial statements.

This ED deals with the proposed amendments to ISA 700 (Revised) and ISA 260 (Revised) to support the operationalization of IESBA's transparency requirement related to listed entities and PIEs which will become effective for audits and reviews of financial statements for periods beginning on or after 15 December 2024.

Questions for respondents have been included in Section 3 "Request for Comments" to solicit specific feedback on the proposed amendments.

In accordance with the Institute's due process, comments are invited from any interested party and the Institute would like to hear from both those who do agree and those who do not agree with the contents of the ED.

Comments should be supported by specific reasoning and should be submitted in written form.



To allow your comments on the ED to be considered, comments are requested by the due date shown above.

Comments may be sent by mail, fax or e-mail to:

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Hong Kong Institute of Certified Public Accountants
37/F., Wu Chung House
213 Queen's Road East
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E-mail: commentletters@hkiipa.org.hk

Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.